Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

UNCLASSIFIED

PAGE 01 STATE 195907
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 JUSE-00 L-03 AID-05 CEA-01
CIAE-00 COME-00 EA-12 FRB-01 INR-07 IO-14 NEA-10
NSAE-00 USIA-15 OPIC-06 SP-02 TRSE-00 LAB-04
SIL-01 AGRE-00 OMB-01 SS-15 /118 R

DRAFTED BY EB/IFD/BP:TASCHLENKER:VJW
APPROVED BY EB/IFD/BP:HJWINTER
EUR/CA - GMONROE
L/EB - PTRIMBLE
JUSTICE - GALUS
----------077229 180619Z /10
R 172301Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA
INFO AMCONSUL VANCOUVER
AMEMBASSY PARIS

UNCLAS STATE 195907

USOECD

E.O. 11652: N/A

TAGS: ETRD, CA

SUBJECT: ANTITRUST: ACQUISITION OF BLANDIN PAPER BY
BRITISH COLUMBIA FOREST PRODUCTS

1. THE DEPARTMENT OF JUSTICE (DOJ) HAS INFORMED DEPARTMENT
THAT QUOTE: THE ANTITRUST DIVISION IS CONDUCTING AN INVES-
TIGATION INTO THE ACQUISITION OF THE BLANDIN PAPER CO.
OF MINNESOTA BY BRITISH COLUMBIA FOREST PRODUCTS, LTD.,
VANCOUVER, B.C., BOTH OF WHICH ARE COMPETITORS IN THE
SALE OF PRINTING PAPER.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 195907

2. QUOTE: BLANDIN PAPER CO., A UNITED STATES CORPORATION,
IS WHOLLY-OWNED BY THE CHARLES K. BLANDIN RESIDUARY TRUST.

THE TRUSTEES HAVE AGREED TO SELL BLANDIN TO BRITISH
COLUMBIA. BRITISH COLUMBIA IS PARTIALLY OWNED, AND
APPEARS TO BE CONTROLLED BY THE MEAD CORPORATION, A U.S.
CORPORATION. MEAD OWNS 15 PERCENT OF BRITISH COLUMBIA

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

OUTRIGHT, AND A 50 PERCENT OWNED SUBSIDIARY OF MEAD, BRUNSWICK PULP AND PAPER CO., OWNS 27 PERCENT OF BRITISH COLUMBIA. ANOTHER 28 PERCENT OF BRITISH COLUMBIA IS OWNED BY NORANDA MINES, LTD. MEAD AND NORANDA HAVE AGREED TO GIVE THEMSELVES MAJORITY VOTING CONTROL IN BRITISH COLUMBIA AND VOTE THEIR SHARES THROUGH A JOINTLY OWNED SUBSIDIARY ,

NORTHWOOD PULP AND TIMBER, LTD. NORTHWOOD IS A CANADIAN PULP PRODUCER WHICH IS 50 PERCENT OWNED BY MEAD AND 50 PERCENT OWNED BY NORANDA. MEAD, IN ADDITION, IS RESPONSIBLE FOR THE SALE OF ALL OF BRITISH COLUMBIA'S KRAFT PULP, A MAJOR PORTION OF WHICH MEAD USES FOR ITS OWN INTERNAL USE.

3. QUOTE: SINCE BLANDIN AND MEAD ARE BOTH LARGE PRODUCERS AS WELL AS COMPETITORS IN THE SALE OF PRINTING PAPERS, THE ACQUISITION COULD VIOLATE SECTION 7 OF THE CLAYTON ACT. UNQUOTE.

4. DOJ HAS SENT LETTERS REQUESTING THE VOLUNTARY SUBMISSION OF DOCUMENTS TO BLANDIN, BRITISH COLUMBIA AND MEAD. OTHER LETTERS TO THE OTHER COMPANIES MAY BE ISSUED SUBSEQUENTLY, BUT NO CIVIL INVESTIGATIVE DEMANDS (CIDS) ARE CONTEMPLATED AT THIS TIME.

5. EMBASSY IS REQUESTED TO INFORM THE CANADIAN GOVERNMENT
UNCLASSIFIED

OF THE DOJ INVESTIGATION AND THE VOLUNTARY REQUEST FOR DOCUMENTS UNDER PROVISIONS OF THE 1967 OECD RECOMMENDATION AND REPORT ANY REACTION. VANCE

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPERS, ANTITRUST, WOOD PRODUCTS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE195907
Document Source: CORE
Document Unique ID: 00
Drafter: TASCHLENKER:VJW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770297-0987
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770851/aaaabrhe.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 80116b59-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1572802
Secure: OPEN
Status: NATIVE
Subject: ANTITRUST: ACQUISITION OF BLANDIN PAPER BY BRITISH COLUMBIA FOREST PRODUCTS
TAGS: ETRD, CA
To: OTTAWA USOECD
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/80116b59-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009